

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

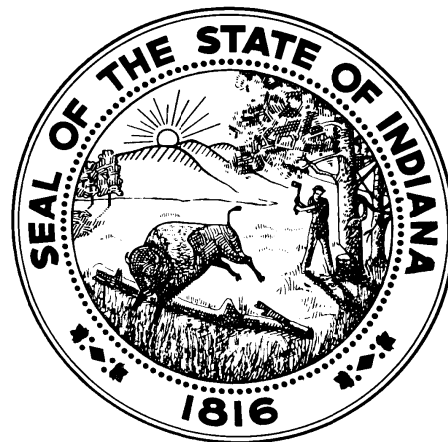
REVIEW REPORT

OF

PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY

STATE OF INDIANA

April 1, 2006 to February 29, 2008



**FILED**  
12/30/2008



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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana Department of Correction	J. David Donahue	01-10-05 to 07-31-08
	Edwin Buss	08-01-08 to 01-11-09
Superintendent	Curtis Correll	04-10-05 to 08-13-06
	Michael Lloyd (Interim)	08-14-06 to 09-23-06
	Michael Lloyd	09-24-06 to 06-30-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY

We have reviewed the receipts, disbursements, and assets of the Plainfield Re-Entry Educational Facility for the period of April 1, 2006 to February 29, 2008. The Plainfield Re-Entry Educational Facility's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Plainfield Re-Entry Educational Facility are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

July 14, 2008

PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY  
REVIEW COMMENTS  
FEBRUARY 29, 2008

TRUST FUND

Accounting Records

The Plainfield Re-Entry Educational Facility has not completed its monthly bank reconciliations and monthly financial statements for the Trust Fund since September 2006. Therefore, we cannot attest to the fund balance and changes in fund balance after September 2006.

Institutions should have internal controls in effect which provide reasonable assurance regarding reliability of financial information and records. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Each institution should file monthly financial statements for its local funds with the state agency having administrative control over the institution. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Individual Records

During our review of the Plainfield Re-Entry Educational Facility, we found that the Trust Fund general ledger and subsidiary ledgers as of February 29, 2008, do not agree. The balance of the subsidiary ledgers was \$71,460.03 while the balance of the control ledger was \$71,294.83, resulting in a difference of \$165.20.

At all times, the manual and computerized records, subsidiary ledgers, the control ledger, and reconciled bank balance should agree. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

The control account and individual subsidiary accounts are to be reconciled to each other and to the bank statement on a monthly basis. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Ledger

During our review of the Trust Fund general ledger at the Plainfield Re-Entry Educational Facility, we found that the beginning balance for January 2008 was not the ending balance from December 2007.

Institutions should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13).

Unclaimed Property

The Plainfield Re-Entry Educational Facility Offender Trust Fund has three inactive accounts, totaling \$62.45, that have been inactive for more than one year. The balances of these accounts have not been sent to the respective offenders or forwarded to the Attorney General.

Indiana Code 32-34-1-20 provides that property becomes abandoned if held by the State or other government, governmental subdivision or agency, or public corporation or other public authority one (1) year after the property becomes distributable.

Indiana Codes 32-34-1-26 and 27 require a holder of property presumed abandoned and subject to custody as unclaimed property to report in writing and pay or deliver the property to the Attorney General.

PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY  
REVIEW COMMENTS  
FEBRUARY 29, 2008  
(Continued)

Internal Controls over Receipts

Our review of Trust Fund receipts at the Plainfield Re-Entry Educational Facility revealed that checks received are not restrictively endorsed immediately upon receipt. The checks are not restrictively endorsed until they are processed by the business office.

Checks should be restrictively endorsed with an endorsement stamp, immediately upon receipt. This would occur upon opening the mail or otherwise receiving the instrument. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 3)

RECREATION FUND

Improper Purchases

As stated in our prior Report B28398, the Plainfield Re-Entry Educational Facility made purchases from the Recreation Fund which were not proper for the fund. These purchases included blank checks for the Plainfield Re-Entry Educational Facility Trust Fund.

Indiana Code 4-24-6-6 states: "These funds shall be used, at the discretion of the superintendent or warden subject to the approval of the chief administrative officer of the department, division or state agency having administrative control and supervision over the institution, for the direct benefit of persons who are inmates or patients in such institutions, and shall not be used for any purposes which are provided by state appropriations. . . ."

FIXED ASSET INVENTORY

As stated in our prior Report B28398, the fixed asset inventory of the Plainfield Re-Entry Educational Facility is not complete as to additions and retirements.

Assets costing more than \$500 but less than \$20,000 must be maintained on an asset control system at the agency. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 10)

RECEIPTS

The Plainfield Re-Entry Educational Facility (PREF) issues receipts for funds received from meal ticket sales, services, and vendor refunds. The receipts are not consistently issued from receipt books assigned to PREF. Some receipts for PREF funds were issued from receipt books assigned to Plainfield Correctional Facility and Reception Diagnostic Center. Also, receipts were issued from receipt books assigned to the PREF Recreation Fund.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and monthly reports, and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY  
REVIEW COMMENTS  
FEBRUARY 29, 2008  
(Continued)

DAILY DEPOSITS

The Plainfield Re-Entry Educational Facility did not consistently deposit receipts for miscellaneous revenue and refunds of expenditures within the following business day.

When receipts are not deposited timely, the possibility that funds may be misplaced or stolen increases.

Indiana Code 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY  
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2008, with Michael Lloyd, Superintendent; Tammie Keen, Regional Finance Director; and Joan Caylor, Accountant 1. The official response has been made a part of this report and may be found on pages 8 and 9.

A copy of the draft report was sent on October 14, 2008, to Curtis Correll, former Superintendent.



**Mitchell E. Daniels Jr.**  
Governor

## **PLAINFIELD RE-ENTRY EDUCATIONAL FACILITY**

**Edwin G. Buss**  
Commissioner

501 West Main Street, Plainfield, Indiana 46168  
Phone: (317) 839-7751 .Fax: (317) 838-7548

**Michael Lloyd**  
Superintendent

State Board of Accounts  
302 W. Washington St.  
Room E418  
Indianapolis, In. 46204-2765

Date: October 30, 2008

Re: OFFICIAL RESPONSE-Plainfield Re-Entry Educational Facility

### TRUST FUND

#### Accounting Records

We concur. Plainfield Correctional Facility has implemented immediate steps to reconcile internal ledgers to the subsidiary ledgers, control ledgers and bank daily. The Department has assigned a staff person dedicated to reconciling the account monthly.

The Department of Insurance will be contacted and all appropriate staff will be covered by a general performance blanket bond in order to comply with Indiana Code 4-24-6-9.

#### Individual Records

We concur. Reception Diagnostic Center has implemented steps to reconcile internal ledgers to the subsidiary ledgers, control ledgers and bank daily.

#### Ledger

We concur. The Department has assigned a staff person dedicated to reconciling trust bank accounts to the ledger and offender trust system.

#### Unclaimed Property

We concur. Verified outstanding checks will be remitted to the Attorney General as unclaimed property in compliance with Indiana Code 32-34-1-20, 32-34-1-26, and 32-34-1-27 by the November 1, 2008 deadline.

#### Internal Controls over Receipts

We Concur. Effective July 18, 2008 procedures were implemented to ensure that all money orders received in the mailroom are stamped with the appropriate restrictive endorsement.

Re: OFFICIAL RESPONSE-Plainfield Re-Entry Educational Facility

RECREATION FUND

Improper Purchases

We concur. The Fiscal Staff now requires policy quotations and the proof of a direct Recreational Fund relationship, before approving purchases from the Recreational Fund.

FIXED ASSET INVENTORY

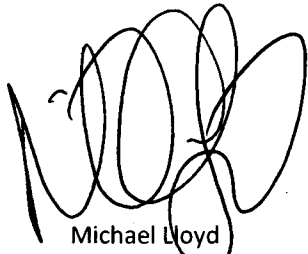
We concur. The Fixed Asset Inventory is now complete and maintained on a weekly basis.

RECEIPTS

We concur. All receipt books are now marked for their individual purpose and related accounts.

DAILY DEPOSITS

We concur. Deposits are now made out by 1:00, daily and given to the courier in a locked bank bag. The courier signs a pick up receipt and then delivers the bag to the Auditor's Office directly, who in turn has to sign a receipt for the deposits.



Michael Lloyd  
Superintendent